

Joint Committee on Pension Reform
Tuesday, September 27, 2016

Good afternoon and thank you for the opportunity to give a voice to cities and towns on this important issue.

I am Melissa Carter with the Municipal Association of SC. We represent all 270 incorporated cities and towns in SC.

The South Carolina Retirement System and the Police Officers Retirement System are important to us both as employers and employees. As employers the Systems are critical recruiting tools, especially in hiring police and fire fighters. 208 out of 270 of our cities have less than 5,000 in population, which usually means the city has limited resources and is in a rural area. The promise of a pension plan is something we have to offer when competitive pay rarely is. Our smaller cities have a difficult time competing with the private sector and larger urban areas.

Cities and towns cannot absorb continued employer contribution increases. Our budgets are made up of revenue from 1/3 property taxes, 1/3 licenses and fees, and 1/3 state, federal and other funds. As you are well aware, state and federal funds to us are decreasing. With the passage of Act 388 we are capped in the growth of property taxes. Therefore, we are not able to pay for the increasing cost of the pension and health plans without decreasing services to our citizens.

I do not envy the task ahead of you but it is an important one to my members. We need a stable and healthy pension system for South Carolina government employees and taxpayers.

Thank you.